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March 22, 2002

Ex Parte

William Caton
Acting Secretary
Federal Communications Commission
445 12th St., S.W. – Portals
Washington, DC 20554

*RE: Application by Verizon-New England Inc. for Authorization To Provide In-Region,
InterLATA Services in State of Vermont, Docket No. 02-07 – REDACTED*

Dear Mr. Caton:

At the request of the staff, Verizon is providing answers to several questions regarding Verizon's application for long distance authority in Vermont. The attachment contains proprietary information and has been redacted. A confidential version is also being filed with the attachment. The twenty-page limit does not apply as set forth in DA 01-2746.

The staff had several questions regarding certain collocation provisions contained in Verizon's Vermont SGAT. The Vermont SGAT was included in Verizon's initial Vermont 271 filing in its entirety in Appendix J, Tab 2.

1.) The staff asked whether Verizon's policies for reserving space in central offices were consistent with the requirements set forth in 47 C.F.R. § 51.323(f)(4) and 47 C.F.R. § 51.323(f)(5). Section 51.323(f)(4) states "[A]n incumbent LEC may retain a limited amount of floor space for its own specific future uses, provided, however, that neither the incumbent LEC nor any of its affiliates may reserve space for future use on terms more favorable than those that apply to other telecommunications carriers seeking to reserve collocation space for their own future use." Section 4.5.2.2.2(C) of the Vermont SGAT reflects Verizon's compliance with this Commission rule by stating that "The Telephone Company and its affiliates will retain and reserve a limited amount of vacant floor space within its premises for its own specific uses on

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terms no more favorable than applicable to other TCs (“telecommunications carriers”) seeking to reserve collocation space for their future use.”

Section 51.323(f)(5) of the Commission’s rules states “[A]n incumbent LEC shall relinquish any space held for future use before denying a request for virtual collocation on the grounds of space limitations, unless the incumbent LEC proves to the state commission that virtual collocation at that point is not technically feasible.” Consistent with this rule, Verizon will relinquish any space it has reserved for its own use to accommodate a CLEC’s request for virtual collocation. Section 1.1.2 of Verizon’s internal collocation methods and procedures provide that an “ILEC shall relinquish any space held for future use before denying a request for virtual collocation on the grounds of space limitations.” *Collocation CO/Premise Space Evaluation Guidelines*, Verizon Practices, VZ 300-392-201.

The staff also questioned how Sections 4.5.9.1.1(B) and 4.5.9.1.1(C) of the Vermont SGAT conform with the Commission’s requirement that ILECs not reserve space on terms more favorable for themselves than for CLECs. Section 4.5.9.1.1(B) provides that “[s]pace for additional bays for future use may be reserved, if available, until such time as the Telephone Company requires the reserved bay to meet another TC’s request.” Subsection 4.5.9.1.1(B) is aimed at meeting the Commission’s requirement that ILECs must “make reasonable efforts to provide contiguous space when interconnectors require it for expansion.” *See Local Exchange Carriers’ Rates, Terms, and Conditions for Expanded Interconnection Through Physical Collocation for Special Access and Switched Transport*, 12 FCC Rcd. 18730 (1997) ¶ 337. The Section’s use of the term “reserved” is a bit of a misnomer because this Section does not refer to Verizon’s space reservation policies. Rather, it refers to scenarios in which a CLEC requests that space contiguous to its existing collocation space not be assigned to other collocators so that it will be available in the future for expansion, but does not pay for such additional space. While Verizon will make every effort to accommodate the CLEC’s request, because the CLEC has not paid for the additional space, Verizon is permitted to assign the so-called “reserved” space to another collocator if it is the only available space remaining in a central office.

A CLEC may formally “reserve” space for its future use by purchasing more space than it immediately requires in anticipation of future growth. For example, the CLEC could purchase 300 square feet of space in anticipation of future growth, but would immediately utilize only 100 square feet of that space. The remaining 200 square feet is reserved for its future use, in the same way that Verizon reserves space near its own equipment for future use. This allows collocators to set aside unused space for future use, and, just as Verizon must absorb the cost of space reserved for its future use, the collocators pay the cost of space set aside for their own future use. Moreover, collocators have taken advantage of their ability to obtain space for future use. In fact, the percentage of unused space in collocation arrangements far exceeds the percentage of unused space in the Verizon’s portion of the central office. When Verizon reviewed its central offices, approximately 70 percent of the space in collocation arrangements in Verizon East is unused, despite the fact that many arrangements have existed for several years. The percentage of unused collocation space is even higher in Vermont where the number is 78 percent. This shows that collocators are able to reserve space for several years of potential growth.

In fact, the collocators have more favorable space reservation rights than Verizon. The Commission's rules do not require CLECs to relinquish their reserved collocation space to other carriers that seek virtual collocation. However, the Commission has concluded that ILECs must relinquish *their* reserved space to accommodate CLEC requests for virtual collocation, and, as discussed above, Verizon complies with this requirement. *See Local Competition First Report and Order*, 11 FCC Rcd 15499, ¶ 606, *see also* 47 C.F.R. § 51.323(f)(5) (“[a]n incumbent LEC shall relinquish any space held for future use before denying a request for virtual collocations . . .”).

In addition, before Verizon may deny a CLEC request for Cageless Collocation Open Environment (“CCOE”), or any other type of physical collocation, due to space limitations, Verizon must permit a central office tour and submit detailed diagrams and floor plans to the state commission. In other words, if Verizon were to deny a CLEC's request for CCOE in an office where Verizon had reserved space for itself, Verizon would have to defend that space reservation to the Vermont state commission, but the CLECs do not have to defend to the state commission their own reservation of space.

Finally, Section 4.5.9.1.1(C) of the Vermont SGAT is consistent with the Commission's rules. That section provides that “CCOE is not available where the only unoccupied space in a central office has been reserved by the Telephone Company for its own use . . .” This Section is consistent with the Commission's rules because it refers to CCOE which is a form of physical collocation. As noted above, ILECs are required to relinquish their reserved space only to accommodate requests for virtual collocation – not physical collocation.

2.) Staff also asked whether under Section 4.5.2.1.2(C) of the Vermont SGAT, Verizon would inform the CLEC of the amount of space currently available in a central office if there was insufficient space available to accommodate the CLEC's collocation request. The answer is yes. Verizon provides a written response to all CLEC collocation applications informing the CLEC of the status of its request. If there is insufficient space to accommodate a CLEC's collocation request, Verizon will indicate that in its written response to the CLEC and indicate the amount of currently available space in that office. Attachment 1 is an example of a such a Verizon response. In this example, the CLEC requested a SCOPE arrangement in the Quechee central office. While SCOPE was not available in that office, under the column labeled “availability,” Verizon indicates that one bay for CCOE is available.

3.) Section 4.5.2.2.2.J(1) of the Vermont SGAT states “The TC shall not place in its multiplexing node equipment that is designed exclusively for switching or enhanced services and that is not necessary for interconnection.” The staff asked why this Section does not conclude with language “or access to unbundled network elements.” The short answer is that provision is intended (and has been applied) to permit equipment to be placed that is used for interconnection or to access unbundled elements. The omission of the language staff asked about has not had any effect, and Verizon has not denied any collocation requests on the basis of this section of the

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Vermont SGAT. Nonetheless, now that the possible ambiguity has been brought to our attention, Verizon will amend this section of the SGAT to include the additional phrase.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Belli". The signature is written in a cursive, flowing style.

Attachment Redacted

cc: J. Veach
J. Stanley
G. Remondino